

**BOARD OF GOVERNORS  
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY  
September 22, 2006**

A special meeting of the Board of Governors of Rutgers, The State University of New Jersey, was held on Friday, September 22, 2006, in the Board Room of Winants Hall, New Brunswick Campus. Mr. Gamper, Chairman of the Board, presided.

Present were Gamper, Giaconia, Goodman, Howard, Nachtigal, O'Hara, and Ryan.

Absent were Laudicina, MacMillan, Russo, and Zoffinger.

Attending as an invited guest was Gizinski, Chair of the Board of Trustees.

Also present was Leath, faculty representative to the Board of Governors and Curtis, student representative to the Board of Governors.

Absent was Cotter, faculty representative to the Board of Governors.

Attending for the University administration were Alger, Apfel, Cahill, Diner, Fehrenbach, Furmanski, Herring, Manning, McCormick, and Winterbauer.

**ANNOUNCEMENT PURSUANT TO CHAPTER 231, PUBLIC LAW 1975  
(OPEN PUBLIC MEETINGS ACT)**

Mr. Gamper, Chairman of the Board, opened the public session of the meeting at approximately 8:30 a.m. and called on Secretary Fehrenbach, who announced that "pursuant to Chapter 231, (Open Public Meetings Act), public notice of this meeting was filed on September 14, 2006 with the Office of the Secretary of State of New Jersey and three newspapers, the *Cherry Hill Courier Post*, the *New Brunswick Home News Tribune* and the *Newark Star-Ledger*. Public notice of the meeting was also posted in the following University libraries: the Alexander Library, New Brunswick; Dana Library, Newark; and the Robeson Library, Camden. In addition, this meeting has been posted on the Rutgers Website, under Governing Boards."

**RESOLUTION TO CONDUCT CLOSED SESSION**

***Mr. Gamper presented the following resolution which, being duly seconded, was unanimously approved by the Board:***

**BE IT RESOLVED**, that the Board meet in immediate closed session to discuss matters falling within the attorney-client privilege and matters concerning real estate in accordance with Chapter 231, Public Law 1975, Section 7, Item b. (5) and b. (7).

Any necessary action will be taken at the earliest possible public meeting of the Board.

The Board then went immediately into closed session.

## **RESUMPTION OF OPEN SESSION**

Mr. Gamper returned the meeting to open session at 11:15 a.m.

## **APPROVAL OF MINUTES**

Mr. Gamper drew the Board's attention to the minutes of the July 14, 2006 meeting of the Board and asked if there were any additions or corrections to the minutes. There being none, on motion and duly seconded, the Board unanimously approved the minutes as distributed by the Secretary.

## **MATTERS PRESENTED BY THE PRESIDENT**

Proposed Recommendations to Membership on the Board of Managers of the New Jersey Agricultural Experiment Station. President McCormick recommended for approval to the Board of Governors the following reappointments:

Mitchell D. Jones, *Warren County*- term ending June 30, 2008  
Douglas Zee, Jr., *Gloucester County*- term ending June 30, 2009

***There being no further discussion, on motion and duly seconded, the Board unanimously approved the reappointments.***

In other matters, President McCormick provided a brief overview to the Board of the goals he has developed for himself and his administration for 2006-2007. He noted that listed among those goals is the formation of: (1) the Committee on Efficiency and Entrepreneurship in a Research University to be chaired by Mr. Jeffrey Apfel, Executive Vice President for Administration and Chief Financial Officer (2) a billion dollar campaign under the leadership of Ms. Carol Herring, president of Rutgers Foundation and Vice President of Development and Alumni Relations, and Dr. Phillip Furmanski, Executive Vice President for Academic Affairs and; (3) a task force that will work toward ensuring that we serve our alumni as efficiently and effectively as possible with the intent that the alumni will in turn support the University in these fiscally challenging times. The president pointed out that Mr. Gene O'Hara will serve as the chairman of this task force.

President McCormick continued by addressing the Board on the status of the College Avenue Campus Design Competition which was launched in fiscal year 2005-2006. He reminded the Board that the competition was placed on hold when the University learned of the state's plan to drastically cut our funding. The president stated that although the state of the budget has not changed, it is now time to bring these plans to the public. Having these proposals before us, the president noted, can evoke discussion on what great potential the College Avenue Campus possesses for future design ideas. President McCormick referred to the Raritan River, which is not currently a part of the overall campus design, as an example of one of the natural resources that each of the design teams have included in their proposed concepts. The president emphasized that the current financial climate restricts us from adopting any of the plans being submitted through this competition. He stated, however, that the University feels an obligation to take this necessary next step for future generations of Rutgers students, faculty, and staff.

President McCormick concluded his remarks by pointing out that the official unveiling of the designs will take place on September 26, 2006 at the Jane Voorhees Zimmerli Art Museum. A series of lectures and an open forum are scheduled to be carried out during the fall semester.

## COMMITTEE ON BUILDINGS AND GROUNDS

Prior to calling on Ms. Nachtigal, Mr. Gamper addressed the Board on the critical timing of approving the proposed purchase of new space in Newark to house the Rutgers Business School. He noted that *The Wall Street Journal* recently ranked Rutgers Business School as 39<sup>th</sup> among regional business schools. Mr. Gamper pointed out that a commitment to this project, which has been under discussion for three years, is necessary to advance our place in the rankings and to continue to enhance the reputation of the school. Mr. Gamper expressed his gratitude to former Governor Richard Codey and Governor Corzine for their support of this endeavor by committing an \$18M contribution from the state.

Ratification of the Early Award of the Endocrine Project Ms. Nachtigal provided a brief overview of the proposed resolution seeking approval on the ratification of the award of a contract for construction on the Endocrine Research Facility. She pointed out the significant changes in the resolution and stated that this ratification was completed within the requirements of public bidding as mandated by university policy. Ms. Nachtigal then asked the Board for approval on the following resolution:

**WHEREAS**, Rutgers, The State University of New Jersey (Rutgers) received competitive bids for the Endocrine Research Facility (formerly known as the Bartlett Hall Addition) at Poultry Lane, Cook campus, from eight prequalified bidders on July 12, 2006; and

**WHEREAS**, the Rutgers Board of Governors approved the concept document on April 11, 2003 and the amount of \$5.96 million was approved for the project; and

**WHEREAS**, due to budgetary and design issues, a decision was made to reduce the size of the building and relocate the facility to Poultry Lane, and the project budget was amended to \$4,572,190, and then further amended to \$4,472,190 (including a construction budget of \$3,375,000); and

**WHEREAS**, the low construction bid of \$3,278,200 for the base bid and alternates numbered one-B, two, three, four, five, six and 11 was submitted by the Hall Building Corporation of Farmingdale, New Jersey; and

**WHEREAS**, urgent programmatic concerns necessitated an early construction start; and

**WHEREAS**, upon consultation with the Chair of the Board of Governors, the Chair of the Committee on Buildings and Grounds, and the Chair of the Committee on Budget and Finance, the award of a contract was authorized;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Governors ratifies the award of a construction contract to Hall Building Corporation in the amount of \$3,278,200 for the base bid and alternates numbered one-B, two, three, four, five, six and 11 for the Endocrine Research Facility at Poultry Lane, Cook campus.

***Upon motion by Mr. Gamper, and duly seconded, the Board unanimously approved the resolution.***

Before continuing, Ms. Nachtigal asked President McCormick and members of the Board if they wished to speak on the proposed resolution being presented today on the Rutgers Business School building in Newark.

President McCormick addressed the Board on the immense opportunity that this building will provide to the University in strengthening the reputation of the business school. The president emphasized the high priority of the project and noted that a reputable business school adds to the success of the core of a university.

Mr. Goodman stated that his personal involvement in the Newark community dates back 40 years to the time of the 1967 riots. He expressed his belief that this project will play a key part in the continuing rejuvenation of the city of Newark.

Provost Steven Diner expressed his appreciation and gratitude to the Board and President McCormick for their support on this project. He reiterated the statements previously made by Chairman Gamper and Mr. Goodman and commented that this project will bring a great boon to the Newark community.

Relocation of Rutgers Business School to 1 Washington Park, Newark Ms. Nachtigal continued by presenting for approval to the Board of Governors the following resolution:

**WHEREAS**, Rutgers, the State University (“Rutgers”) has a need for facilities in which to relocate and consolidate its Newark Business School (“Business School”) operations including, without limitation, space for faculty offices and classrooms (the “Facilities”); and

**WHEREAS**, it is necessary and essential to develop the Facilities in support of Rutgers’ educational functions; and

**WHEREAS**, the seventeen story office building located at One Washington Park in Newark, New Jersey (the “Building”) is (i) located in close proximity to the central part of Rutgers’ Newark campus and the Newark Broad Street New Jersey Transit train station, (ii) is immediately adjacent to the City of Newark’s light rail line, and (iii) is otherwise prominently situated at the intersection of Washington Street and Broad Street and represents a desirable location in which to house the Business School’s operations; and

**WHEREAS**, Rutgers and the current owner of the Building, Washington Park Fidelco, LLC (the “Seller”), have discussed the possibility of converting the Building into a condominium in which 11 floors of the Building along with a proposed 15,000 square foot addition to be located at grade level (such 11 floors and 15,000 square foot addition, hereafter, the “Rutgers Business School Space”) would be established as a separate condominium unit from the remainder of the Building and, in connection therewith, Rutgers has evaluated the feasibility of acquiring the Rutgers Business School Space and reconstituting it for the Business School by, among other things, obtaining an appraisal of the fair market value of the Rutgers Business School Space, obtaining architectural and engineering studies, and evaluating cost-effective methods to acquire and build out the Rutgers Business School Space; and

**WHEREAS**, members of the Provost’s Office in Newark, the Business School, and Rutgers’ Facilities Departments in Newark and New Brunswick interviewed pre-selected architectural firms for purposes of selecting a firm to, among other things, (i) design the Rutgers Business School Space, (ii) prepare construction drawings for the construction of same, and (iii) provide architectural services through the completion of construction, and, in connection therewith, has selected the Morristown, New Jersey-based firm of Nadaskay Kopelson Architects, PA to provide the forgoing services and Rutgers now wishes to enter into an architect’s contract with the Nadaskay Kopelson firm (such contract the “Architect’s Contract”); and

**WHEREAS**, Rutgers has undertaken a process to develop and evaluate the overall project budget which includes (i) the acquisition of the Rutgers Business School Space, (ii) the construction costs needed to build out the interior and exterior of such space, as applicable, (iii) the construction costs needed to improve and repair certain common elements and common building systems in the Building (a portion of which costs being reimbursed by Seller) (iv) the fee required under the Architect's Contract, and (v) other non-construction related costs and, in connection therewith, the overall project cost is expected to be approximately \$83,000,000 (hereinafter, the project described in the foregoing clauses (i) through (v) and as described herein is referred to as the "Project"); and

**WHEREAS**, as part of the fiscal year 2005-2006 budget, Rutgers received \$18,000,000 from the State of New Jersey that was earmarked specifically for the Business School; and

**WHEREAS**, Rutgers has also sought federal subsidies for the Project through participation in the New Markets Tax Credit ("NMTC") program administered by the U.S. Treasury's Community Development Financial Institutions Fund, and, in connection therewith, expects to enter into a transaction with City National Bank of New Jersey, PNC Bank, National Community Investment Fund, and New Jersey Community Capital in which an approximately \$7,000,000 subsidy would accrue to the Project (said transaction, the "NMTC Transaction"), and further, Rutgers is also seeking additional subsidies through the NMTC program by negotiating with other entities with whom a beneficial NMTC transaction can be structured; and

**WHEREAS**, Rutgers and Seller have also discussed the structure and management of the Building once it has been converted into a condominium and Rutgers is satisfied that the Business School can be operated in the Rutgers Business School Space and that a relocation and consolidation to the Rutgers Business School Space would raise the quality, prominence and visibility of the State's premier business school; and

**WHEREAS**, after careful consideration of the Project in light of the aforementioned evaluations, Rutgers wishes to (i) enter into the Contract of Purchase and Sale for acquisition of the Rutgers Business School Space, (ii) enter into the Architect's Contract, (iii), to the extent approved by counsel, enter into any and all documents, agreements, contracts, forms, letters or correspondence required in connection with the Project, the NMTC Transaction and a potential second NMTC transaction, and (iv) follow the standard protocol regarding awarding a construction contract and enter into same.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Governors of Rutgers, as follows:

**Section 1:** The forgoing recitals are hereby incorporated by reference into this Section 1 as if fully restated herein and are hereby ratified and confirmed.

**Section 2:** The University Administration, acting through the Senior Vice President for Administration and Chief Financial Officer of Rutgers, on behalf of Rutgers, with advice from the respective Chairs of the Board of Governors and its Committees on Buildings and Grounds and Budget and Finance, as well as the Vice President and General Counsel and Rutgers' outside counsel, is hereby authorized and directed to negotiate, approve, execute and perform the Contract for Purchase and Sale on behalf of Rutgers.

**Section 3:** The University Administration, acting through the Senior Vice President for Administration and Chief Financial Officer of Rutgers, on behalf of Rutgers, with advice from the respective Chairs of the Board of Governors and its Committees on Buildings and Grounds and Budget and Finance, as well as the Vice President and General Counsel and Rutgers' outside counsel, is hereby authorized and directed to negotiate, approve, execute and perform the Architect's Contract on behalf of Rutgers and to undertake and follow the procedures culminating in the award of a construction contract for the Project.

**Section 4:** The University Administration, acting through the Senior Vice President for Administration and Chief Financial Officer of Rutgers, on behalf of Rutgers, with advice from the respective Chairs of the Board of Governors and its Committees on Buildings and Grounds and Budget and Finance, as well as the Vice President and General Counsel and Rutgers' outside counsel, is hereby authorized and directed to negotiate, approve, execute and perform any and all documents related to the NMTC Transaction and/or any additional NMTC transaction as shall be reasonably necessary in connection with the closing of the NMTC Transaction, and/or any additional NMTC transaction, as applicable.

**Section 5:** The Senior Vice President for Administration and Chief Financial Officer of Rutgers, the Vice President and General Counsel, the Secretary and Assistant Secretary of Rutgers, and all other officers of Rutgers are each hereby authorized and directed to execute, deliver and perform such other documents including, without limitation, a condominium master deed, a management agreement, any and all certificates, and all closing statements, and take any and all actions necessary or desirable in order to carry out the purpose and intent of this Resolution and to effectuate the transaction contemplated hereby, and the actions heretofore taken by the aforementioned officers in furtherance of the Project or the intent of this Resolution are hereby ratified and confirmed.

**Section 6:** This Resolution shall take effect immediately.

*Upon motion by Mr. Gamper, and duly seconded, the Board unanimously approved the resolution.*

#### **COMMITTEE ON UNIVERSITY RELATIONS AND HONORARY DEGREES**

Dr. Howard, Chair of the Committee on University Relations and Honorary Degrees, drew the Board's attention to the minutes of the Committee's meeting of August 9, 2006. He continued by reporting that Ms. Kim Manning provided the Committee with an update on the progress of the communications program being developed by Lipman Hearne. Dr. Howard further reported that the Committee directed Ms. Manning to conduct open discussions throughout the community to gain input on the University's new visual identity system. He concluded by pointing out that the Committee intends to present the visual identity guidelines to the Board for their approval later in the year.

#### **ADJOURNMENT**

The meeting was adjourned at 11:39 a.m.



Kate Cahill  
Assistant Secretary of the University